

Iowa's Gross State Product

The Gross State Product (GSP) is the value added to goods and services by economic activity. It is equivalent to the gross output (sales or receipts and other operating income, commodity taxes, and inventory change) minus inputs (consumption of goods and services purchased from other U.S. industries or imported). It is often considered the State's equivalent of the nation's Gross Domestic Product.

The GSP estimates, as a whole and by industry, were examined from 1999 through 2009 to identify changes in the Iowa economy. Comparisons were made with the GSP for the nation as a whole and with the Plains States (Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota). The GSP estimates were obtained from the Bureau of Economic Analysis, U.S. Department of Commerce.

To eliminate growth due to inflation, all dollar amounts are reflected in constant calendar year 2005 dollars unless otherwise noted. Comparisons were made using the converted 1999 GSP as the base. Economic growth is shown as a percentage of the 1999 GSP to provide a standard comparison across years and regions.

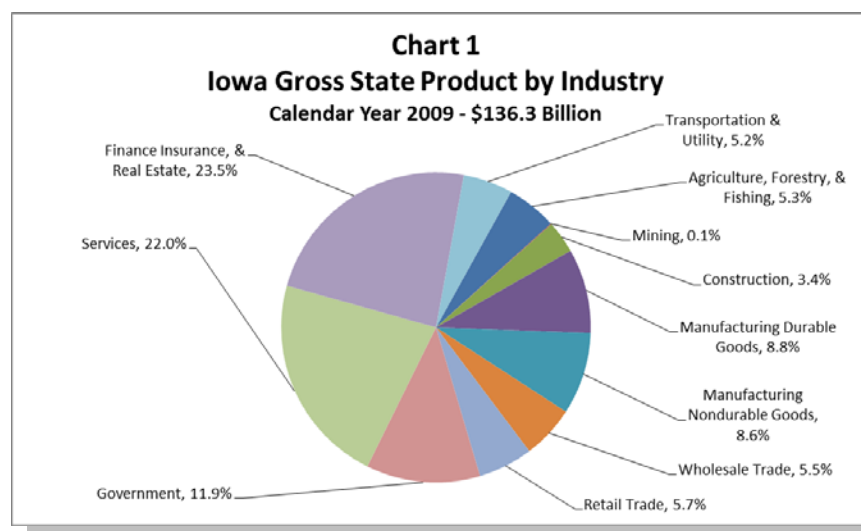
Current Industry Distribution

Chart 1 shows the distribution of the GSP by major industry category. In calendar year 2009, Iowa had a GSP of \$136.3 billion in current dollars. From 1999 through 2009 (in terms of calendar year 2005 dollars), the percentage contribution to the State's GSP by several industries changed. The industries with the biggest declines include:

- Construction decreased 2.4%, from 5.5% to 3.1%. The 1989 share was 3.1%.
- Government decreased 1.8%, from 13.0% to 11.2%. The 1989 share was 12.7%.
- Manufacturing of Durable Goods and Nondurable Goods both fell by 1.4%. Durable Goods decreased from 10.2% to 8.8%. The 1989 share was 9.8%. Nondurable Goods decreased from 9.1% to 7.7%. The 1989 share was 9.7%.

The industries with the largest increases include:

- Finance, Insurance, and Real Estate increased 5.1%, from 19.1% to 24.2%. The 1989 share was 15.5%.
- Agriculture, Forestry, and Fishing increased 3.7%, from 2.3% to 6.0%. The 1989 share was 5.2%.
- Wholesale Trade increased 0.8%, from 5.5% to 6.3%. The 1989 share was 5.7%.



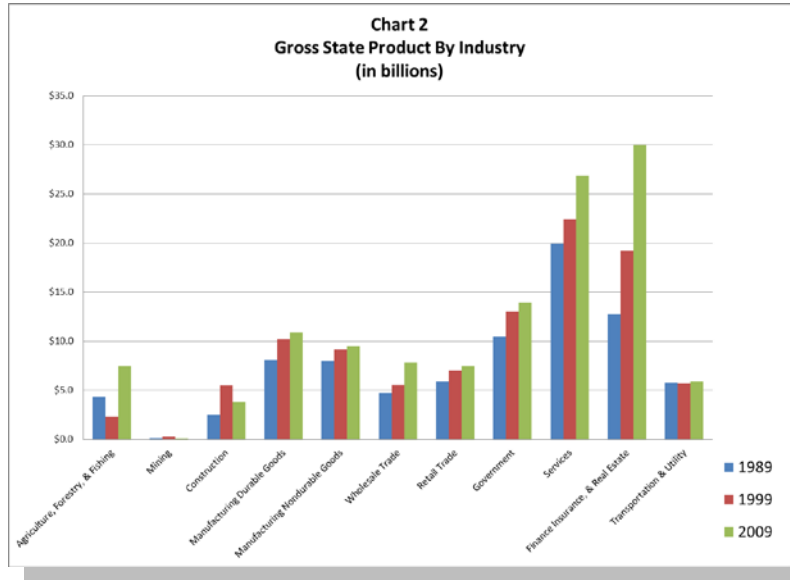
More Information

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Gross State Product by Industry

Chart 2 shows the 1989, 1999, and 2009 GSP categories in terms of constant calendar year 2005 dollars. Iowa's total GSP increased \$23.4 billion (23.3%) from 1999 to 2009. The only significant decrease was in construction with a decrease of \$1.7 billion (30.2%). The following three categories contributed the most to the increase in the State's GSP:

- Agriculture, Forestry, and Fishing increased \$5.1 billion (219.0%).
- Finance, Insurance, and Real Estate increased \$10.8 billion (56.0%).
- Wholesale Trade increased \$2.3 billion (41.6%).



Overall Growth

Chart 3 shows the relative inflation-adjusted growth in the total GSP for Iowa, the Plains States, and the United States. From 1999 through 2009, Iowa grew faster than the United States and the Plains States with a growth rate of 24.0%. The national and Plains States growth rates were 18.7% and 18.0% respectively.

The Agriculture, Forestry, and Fishing industries had the largest percentage gain (219.0%), for a total increase to the State's GSP of \$5.1 billion when 2009 is compared to 1999. This exceeds the growth in the Plains States of 155.6% and the national growth rate of 46.7% for the same time period.

The Finance, Insurance, and Real Estate industries increased 56.0%, for a total increase to the State's GSP of \$10.8 billion when 2009 is compared to 1999. This exceeds the growth rate for the Plains States of 35.6% and the national growth rate of 31.5% for the same time period.

The Wholesale Trade industry increased 41.6%, for a total increase to the State's GSP of \$2.3 billion when 2009 is compared to 1999. This compares to the growth rate for the Plains States of 42.9% and the national growth rate of 43.1% for the same time period.

A table showing the growth in GSP for all of the industry categories, from 1999 through 2009, for Iowa, the Plains States, and the national growth rate is available from the Legislative Services Agency on request. Iowa's GSP, overall and by industry category, generally follows the same pattern as the national GSP and the Plains States; however, Iowa economic growth exceeded the national growth rate and the growth rate for the Plains States over the last ten years.

